

INDUSTRY CIRCULAR



OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION

WASHINGTON 25, D. C.

Industry Circular No. 63-22

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PACKAGING OF A SINGLE CIGAR

Manufacturers and importers of tobacco products:

Purpose. This industry circular is to advise you concerning the packaging of a single cigar in a package for dispensing from a vending machine.

Background. The regulations (26 CFR 296.166) provide that where a vending machine is used to dispense tobacco products, such products must be vended in proper packages which bear the mark and notice or directly from such packages. Under this provision, cigars may not be removed from the package as put up by the manufacturer (bearing the mark and notice) and placed in the machine for vending. We have been asked to suggest means of compliance where certain types of machines are used, such as those with a spiral mechanism designed to dispense single items like candy bars, etc.

Suggestions for compliance. Where a manufacturer or importer puts up a single cigar in a package (cellophane, tube, etc.) which bears the required mark and notice, such individually packaged cigar may properly be vended from a machine. We recently approved the packaging of a single cigar in a cellophane pouch on which was printed the manufacturer's permit number and the class designation "E. The ordinary retail price of this cigar is intended by the manufacturer to be more than 8 cents and not more than 15 cents." While the package did not express the quantity, and the word "cigar" separately from the class designation, we took the position that the package substantially complies with the requirements of regulations since these expressions are not needed where a package contains a single visible cigar.

Where there is any doubt about compliance with the packaging requirements, you are urged to submit packages to your assistant regional commissioner, (alcohol and tobacco tax), for advice.

Inquiries. Inquiries in regard to this industry circular should refer to its number and be addressed to your assistant regional commissioner, (alcohol and tobacco tax).

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